

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, Sacramento, CA 95814



September 27, 1999

ALL COUNTY LETTER NO. 99-72

TO: ALL COUNTY WELFARE DIRECTORS  
ALL CHIEF PROBATION OFFICERS  
ALL LOCAL MENTAL HEALTH DIRECTORS  
ALL GROUP HOME PROVIDERS

SUBJECT: AID TO FAMILIES WITH DEPENDENT CHILDREN-FOSTER CARE  
(AFDC-FC) COMMUNITY TREATMENT FACILITIES (CTFs);  
DIVISION 31 REGULATION CHANGES FOR PLACEMENTS IN A  
CTF

REFERENCE: DEPARTMENT OF MENTAL HEALTH (DMH) INFORMATION  
NOTICE NO. 98-11

**REASON FOR THIS TRANSMITTAL**

- ☒ State Law Changes
- ☐ Federal Law of Regulations Change
- ☐ Court Order or Settlement Agreement
- ☐ Clarification Requested by One or More Counties
- ☒ Initiated by CDSS

The purpose of this All County Letter (ACL) is to provide information relative to AFDC-FC ratesetting requirements for CTFs.

For purposes of AFDC-FC ratesetting, CTFs will be considered group homes and subject to the same ratesetting requirements as group homes. Therefore, all group home ratesetting requirements set forth in Manual of Policies and Procedures (MPP) Division 11-402.1 through 11-402.9 apply to CTFs.

The California Department of Social Services (CDSS) will be filing emergency regulations with the Office of Administrative Law that will allow the hours of childcare and supervision that might be provided by a nurse in a CTF to receive a weighting when calculating the rate for a CTF. The amount of weighting will be a sliding scale in accordance with the education and experience of the nurse providing the childcare and supervision. The emergency regulations will also amend and add several sections within MPP Division 31. These Division 31 changes address the requirements social workers and probation officers must consider when making placements in a CTF, in addition to the procedures that must be followed before a child is placed, and what is to be included in the child's case plan.

It is anticipated that the emergency regulations will become effective in October 1999. The CDSS will notify you in the event that the regulations are not filed or if there are any other changes to the information contained within this letter. A copy of the emergency regulations will be issued once they have been filed.

It is estimated that some CTFs will become operational prior to December 31, 1999. The exact date of operation cannot be specified at this time as it depends upon when each individual provider's CTF application is approved by the State DMH, and when the DMH-approved provider receives licensure from CDSS, Community Care Licensing (CCL) Division.

To ensure that CTFs can be classified and paid as quickly as possible, any potential CTF provider must submit a complete rate application package to CDSS Foster Care Rates Bureau. The CDSS Foster Care Rates Bureau will mail a rate application to all prospective CTF providers who have submitted a Request for Application to DMH for program certification. It is not necessary to wait for receipt of DMH CTF program certification and/or CCL CTF facility license to apply for a CTF rate. It is recommended that a CTF rate application be submitted concurrently with CCL CTF facility license application to ensure that, once DMH CTF program certification and CCL CTF facility license have been received, CTF placements are not delayed pending the establishment of a rate. The CDSS will make every effort to set a rate expeditiously and will appreciate receiving your information as soon as possible.

County mental health departments have contracted with DMH to serve as mental health plans (MHPs) that are obligated to provide medically necessary specialty mental health services to Medi-Cal beneficiaries as described in Title 9, California Code of Regulations, Division 1, Chapter 11. The MHPs are required to serve Medi-Cal eligible children placed in CTFs in accordance with these regulations. The regulations describe the services covered by the Medi-Cal mental health program and the rules MHPs must follow to claim federal Medicaid funds for the services they provide to Medi-Cal beneficiaries directly or through contract providers. The rules include definitions of covered services in Subchapter 1, Article 2; general MHP responsibilities, including provider selection criteria, in Subchapter 1, Articles 2 and 3; provider rate setting standards in Subchapter 3, Article 1; and specific requirements for claiming federal Medicaid funds in Subchapter 4. Subchapter 4 describes site and staffing requirements for each type of service and situations in which federal Medicaid funds are not reimbursable to MHP.

The CTFs interested in exploring ways to provide specialty mental health services to children who are placed in CTFs should contact the county mental health department in the placing county. For more information, county mental health departments may contact their county liaison at the State DMH, Technical Assistance and Training Unit:

Jack Tanenbaum  
Superior Region  
(530) 224-4724

Kaye Antel-Berenson  
Central Region  
(916) 654-0543

Ruth Walz  
Bay Area Region  
(707) 252-3168

Jan Falzarano  
Southern Region and Los Angeles  
(916) 653-0570

Other specific CTF questions may be directed as follows:

CTF AFDC-FC Ratesetting Process  
CDSS Foster Care Rates Bureau  
(916) 323-1263

Mental Health Program Standards or Certification for CTFs  
Delores Spahnn, Ph.D  
DMH  
(916) 654-2396

CTF Selection Process and Title 9, Chapter 12  
Mental Health Program Standards for the CTF  
Alfred Nicholls, Chief, Licensing and Certification  
DMH  
(916) 654-2647

CDSS' CTF Emergency Regulations  
Foster Care Program Development Bureau  
Steve Smalley  
(916) 327-4639

We look forward to working with you as we begin to operationalize this important treatment option for seriously emotionally disturbed children in California.

Sincerely,

**Signed by Wesley A. Beers  
on 9/27/99**

WESLEY A. BEERS  
Acting Deputy Director  
Children and Family Services Division

c: California Association of Children's Homes  
California Association of Services for Children  
Residential Care Providers Association in Los Angeles County  
Foster Care Alliance  
African-American Foster Parent and Group Home Association  
Care Homes of Los Angeles County